

## **Part B, Chapter 2**

### **Unemployment Concepts**

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## PART B, CHAPTER 2

### UNEMPLOYMENT CONCEPTS

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#### 2.A INTRODUCTION

The purpose of this chapter is to define unemployment and to define the related concepts of layoff, looking for work, duration of unemployment and availability for work. Further details on individual questions related to determining unemployment are contained in Part C, Chapter 4.

**Unemployed.** Persons who did not work or have a job during the reference week, and who were actively looking for work during the last 4 weeks and were available for work during the reference week.

Unemployed persons are also those on layoff from a job during the reference week, who are expecting to be recalled to a job (regardless of whether or not they looked for work) and were available to return to their jobs if they had been recalled.

You determine who is unemployed by asking persons who did not work or have a job last week about their job search activity and availability for work. For those who are unemployed, you will ask about the duration of unemployment and about certain characteristics of their previous job, if they have worked before.

You will ask specific questions about recall expectations of persons on layoff. Those who expect to be recalled are asked how long it's been since they were laid off and whether they have been looking for work.

Those who do not expect to be recalled are routed through the looking for work series.

#### 2.B ON LAYOFF

**Layoff.** Persons are on layoff if they are waiting to be recalled to a job from which they were temporarily separated for business-related reasons, such as temporary drops in demand, business downturns, plant remodeling, material shortages, and inventory taking. They must either have been given a date to report back to work or, if not given a date, must expect to be recalled to their job within 6 months.

Persons on layoff are the only ones who do not need to look for work to be classified as unemployed.

You will ask persons who are reported to be on layoff questions about their expectation of recall, the length of time on layoff, whether they have been looking for work, and the industry and occupation of the job from which they are on layoff.

#### 2.C LOOKING FOR WORK

**Looking for Work.** To be considered looking for work a person must have conducted an active search for a job within the four weeks prior to the interview week.

Correctly identifying job search methods is critical to classifying persons as looking for work and unemployed. **Our definition of**

**looking for work requires an active search.** We consider some job search methods to be passive (for example, simply looking at newspaper ads or attending training classes).

**Active Job Search.** An active job search is one that could have resulted in a job offer without further action on the part of the job seeker.

The distinction between active and passive job search methods is very important. **An individual is classified as unemployed only if (s)he used at least one active job search method to look for work.** If the person used only passive job search methods, or did nothing, then (s)he is classified as "not in the labor force (NILF)."

#### **Figure B2. Job Search Categories**

##### **Active Job Search Methods**

- Contacted public employment agency (for example, visited a job service)
- Contacted private employment agency (for example, called a recruiting or head-hunting agency)
- Contacted employer directly (for example, spoke to someone in a company's employment office about a job)
- Sent out resume or filled out applications (for example, mailed a job application)
- Contacted friends or relatives (for example, asked friends for job leads)
- Contacted school/college or university employment center (for example, visited a college placement office)
- Placed or answered ads (for example, responded to newspaper want ads)
- Checked union/professional registers (for example, placed name on nurses union register)
- Other Active (for example, bid on a contract or auditioned for a part in a play)

##### **Passive Job Search Methods**

- Looked at ads (for example, read newspaper want ads, but did not respond to any)
- Attended job training programs or courses (for example, took a typing course)
- Other passive (for example, studied for Real Estate license or picked up a job application)

## **2.D ACTIVITY PRIOR TO JOB SEARCH or REASONS FOR JOB SEARCH**

A person's activity prior to job search, or the reason (s)he started looking for work, determines whether to classify the person as having lost or left a job, or as having newly entered or reentered the labor force. This information, in turn, identifies persons with previous work experience. You then go on to collect information about the previous job (Industry and occupation series). From this, we can get measures of the job skills of the unemployed.

*Keep in mind that we are trying to measure the activity immediately prior to the current period of job search.*

If the person was working just prior to the current job search, we want to know how the person was separated from that previous job; whether they lost their job, quit their job, or had a temporary job that ended.

## **2.E DURATION OF UNEMPLOYMENT**

If a person was not unemployed in the previous month, you ask how long (s)he has been looking for work. The individual can respond in either weeks or months. **It is your responsibility to record both how long the individual has been looking for**

**work and whether the individual reported in weeks or months.** If the person has looked for work and was not unemployed in the previous month's interview, you ask how long (s)he has been looking for work or on layoff. If (s)he was unemployed in the previous month, the instrument automatically updates his/her duration of unemployment information from the previous month.

## **2.F AVAILABILITY FOR WORK**

You ask unemployed persons whether they could have started a job last week, if one had been offered. Please note that if the person attaches conditions to the type of work or work schedule they want, this does not affect their availability. For instance, people who can only work during certain hours, or who want a certain kind of work, **WERE** available for work.

You ask persons who were unavailable for work last week the reason they were unavailable such as temporarily ill, waiting to start a new job, going to school or some other reason.

*You can find further details on unemployment related questions in Part C, Chapter 4.*